

Mohegan Sun Pocono License Renewal Hearing

January 10, 2018



MOHEGAN SUN
POCONO

Introduction

- Anthony Carlucci, President and GM
- Tom Burke, Chief Operating Officer MGE
- Michael Epps, VP of Legal/Compliance
- Bradford Cobb, Chief Financial Officer
- Katie Borkowski, Director of Human Resources
- Dale Rapson, VP of Racing Operations
- Erica Tessier, VP of Marketing

Topics to be Presented

- Summary of Current Operations
- Tax Revenue Generated and Procurement
- Capital Investment
- Job Creation and Employment Achievements
- Success in Diversity
- Enhanced Compliance and Controls
- Compulsive and Problem Gambling
- Community Involvement
- Harness Racing
- Brand Positioning
- A Promise Delivered

Operations



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Operations

- Currently – 2,332 Slots
- 91 Tables 18 of which are Poker
- 238 Room Hotel
- 13 Dining Establishments
- 4 Retail
- Spa, Convention Center
- Approximately 1,500 Employees

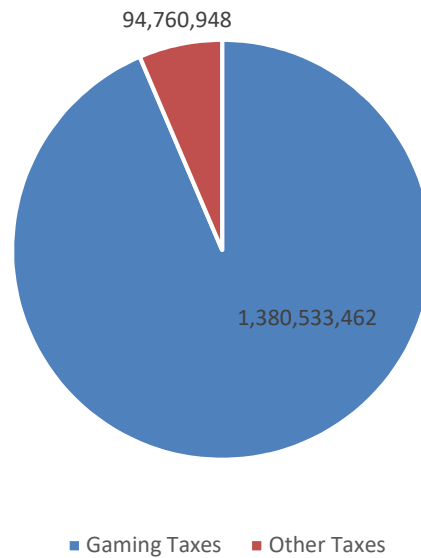
Tax Revenue Generated and Procurement



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Mohegan Sun Pocono Tax Contribution

**Total Tax Contribution:
\$1.48 Billion since opening**



*Other Taxes include Pari-Mutuel Tax, Property Taxes, Employer Payroll Taxes, Sales & Use Tax, Hotel Occupancy Tax, Mercantile Tax, and Amusement Tax. Excludes Slot & Table Games License Fees.



Mohegan Sun Pocono Vendor Spend in Pennsylvania

- 2014-2016 Vendor Spend:
- Total Spend \$154,034,814
 - Pennsylvania \$100,496,255 (65%)

Commitment to Commonwealth/Township

- MSP entered into a Memorandum of Understanding with Plains Township to continue to pay the annual local share payment
- Local Share funding has served an important role in assisting the Township to promote economic development, provide for public safety and emergency services, and advance other public interest initiatives
- MSP has been a strong community partner, serving as a major employer in the Township, working with the Township to address community needs and supporting many local organizations and charities

Capital Investment



Commitment to Invest in Property

- Mohegan Sun Pocono has demonstrated a commitment to expand and improve the facilities and amenities we provide to our guests and the community
- Project Capital
 - 2008 – Casino Expansion - \$196,197,977
 - 2010 – Table Games Expansion - \$14,751,803
 - 2013 – Hotel/Convention Center - \$45,819,511
- In addition MSP has routinely re-invested an average of \$6M in annual maintenance capital to refresh/maintain our product/property.
- Currently we are under construction on the Molly O'Sheas (Irish Pub dining establishment) which is slated for opening in winter of 2018.

Employment Achievements



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Job Creation*

- Prior to opening Phase I:
Sept. 2006 approximately 200 employees
- Phase I opening:
Nov. 2006 approximately 500 employees
- Phase II opening:
July 2008 approximately 1000 employees
- Table Games opening:
July 2010 approximately 1600 employees
- Hotel opening & present day:
Nov. 2013 - present approximately 1500 employees

*Excludes additional tenant team members which is an additional 400 individuals

Employment Achievements

- Currently employ approximately 1,500 team members
- Over 99% of all team members are PA residents
- Over the course of 10 years, MSP has promoted and transferred team members into new positions consistently with having over 1,500 team members promoted or accept transfers into higher paying positions
- Received award from Luzerne/Wyoming Counties Employment Coalition for “Outstanding Support of Employees with Disabilities”
- More than 60% of all the individuals hired to open our property in 2006 are still working for us today!

Job Creation

- Mohegan Sun Pocono has hired aggressively from the local community with:
 - 90% of all team members living within a 30-mile radius of property
 - 80% of all team members living within a 20-mile radius of property
 - 74% of all team members living within a 15-mile radius of property
 - 60% of all team members living within a 10-mile radius of property
- Fun Fact: out of the 23 individuals on our senior level, 12 attended either King's College, Wilkes University, Luzerne County Community College, University of Scranton or Penn State University

Employment Partnership

- MSP serves local schools/colleges in the following ways:
 - Providing internships
 - Creating co-ops for local vocational schools
 - Allowing career shadowing opportunities
 - Attending career fairs
 - Providing interviewing practice and feedback at the colleges
 - Conducting on campus interviews

Success in Diversity Initiatives



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Success In Diversity Initiatives

With regard to ownership, participation and operation, MSP is a minority business, as it is owned and operated by the Mohegan Tribe of Connecticut. All members of the governing body, including the Chairman of the Mohegan Tribe are Native American. As such, Mohegan Sun Pocono is significantly diverse in the ownership and operation of MSP.

- Employment
- Diversity Highlights

Diversity in Employment

In addition to the awards previously mentioned, Mohegan Sun Pocono has a history of providing opportunity and creating a diverse and welcoming work environment.

Minority

- 14.2% of total employee workforce
 - 1.5% of MSP workforce was minority at the time of purchase in 2005
 - 11.0% of MSP workforce was minority at time of last renewal in 2013
 - 15.7% of MSP workforce is minority at the time of the current renewal
 - Local MSA is 3.9%
 - 9.2% Management/Professional

Female

- 46.2% total employee workforce
 - Local MSA 46.6%
 - 38.5% Management/Professional

Diversity Highlights

- 6.1% of total expenditures over three years allocated to MBE/WBE's as compared to 4.8% allocated in the previous three year period
- Lifetime Gold Membership of the NAACP Wilkes-Barre
- Member of the Diversity Committee of the Wilkes-Barre Chamber of Commerce
- Member on the Board of the Northeastern PA Diversity Educational Consortium (NEPDEC)
- Quarterly diversity meetings held by senior management

Meet with Buyers of Mohegan Sun Pocono!

The Purchasing Department from Mohegan Sun Pocono invites you to attend a Supplier Diversity Outreach Event. Representatives from Mohegan Sun Connecticut, Mohegan Gaming & Entertainment, and Resorts Atlantic City will also be present at these meetings. Mohegan Sun is committed to building relationships with high quality minority, women-owned, disadvantaged business enterprises. Two meeting sessions are being held in hopes of attracting diverse vendors and will give the Procurement teams of our properties an opportunity to meet with potential vendors one-on-one. The meetings will be held on Tuesday, January 23, 2018 from 6:00pm - 8:00pm and Wednesday, January 24, 2018 from 9:00am - 11:00am in Salon F in our Keystone Grand Ballroom. There is limited space available and we are taking reservations on a first come, first served basis.

.....PLEASE RSVP TODAY!.....

Contact Us

Please send an RSVP to one of the ways below. Please include the nature of your business and the kind of wonderful partnership your business can bring to our business.

Email RSVP: cbeach@mohegansunpocono.com

Mail RSVP:

Mohegan Sun Pocono
Purchasing Department - MWDBE
1280 Hwy 315
Wilkes-Barre, PA 18702

If you have any questions prior to the event dates, please feel free to contact
Katie Beach at 570.831.3506

Thank you and we look forward to seeing you in January!



Mohegan Sun Pocono has been a leader in holding Meet and Greets for all department heads and buyers to be able to meet face to face with qualified minority vendors from the local and surrounding area. Mohegan Sun Pocono sponsors and provides a free expo venue in an effort to allow the vendors to share with end users, how a partnership with them would provide a prosperous relationship.



Enhanced Compliance and Controls



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Enhanced Compliance and Controls

- Compliance and controls have been substantially enhanced and overhauled, at both the corporate level and MSP level.
- Creation of a Compliance Committee with an independent member, Thomas Auriemma.
- Retention of an enterprise Chief Compliance Officer, Mark Comella.
- Implementation of new procedures, overhauls of existing controls, a new Code of Ethics, enhanced reporting hotline, and other improvements in compliance and oversight.
- Additional, appropriate personnel in compliance related roles.

Compulsive and Problem Gambling



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Compulsive and Problem Gambling Highlights

- Yearly collaboration with Josh Ercole of the Council on Compulsive Gambling of PA, Inc. to ensure training is up-to-date
- Yearly refresher training for all team members
- Team Member involvement during Problem Gambling Awareness Month
- Contributor and active participant to the Council on Compulsive Gambling PA, Inc. for their training conferences

Community Involvement



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Community Involvement

- Donated to 734 local organizations over the last four years totaling \$1,364,608
- Donations and sponsorships since inception total \$5,308,502

Community Involvement

- Our Team Members also donate their time and energy for projects in the community:
 - Day of Caring with United Way
 - National Public Service Day
 - Valley Santa
 - Toys for Tots Drive
 - Leadership Wilkes-Barre

Community Involvement

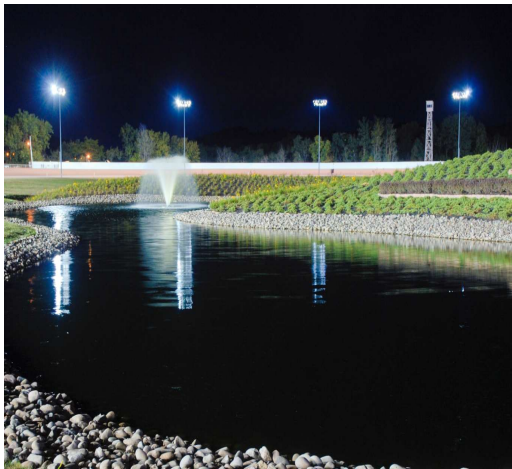


Commitment to Harness Racing



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Commitment to Harness Racing



Summary of Operations: Racing

- Live Racing – March - November
- Simulcast - Daily
- Three Off-Track Wagering Facilities
- Home of the 2018 Breeders Crown



A record-breaking track!



"Horses get over the track at Pocono with hardly any borium; they are a lot slicker and cleaner gaited, which makes them go faster. Ninety-nine percent of the horses will be better gaited at Pocono than other tracks. And speed holds up very well because they travel so well."

— Pocono trainer-driver Joe Pavia Jr.

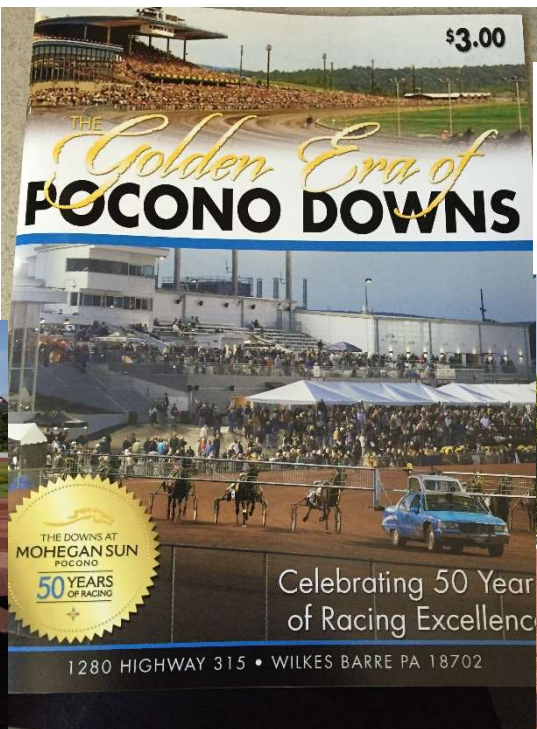
Fan-Friendly Events

- Party for the Kentucky Derby, Preakness Stakes, and the Belmont Stakes!
- Celebrity superstars up-close and personal!
- Great giveaways every season!
- World-class racing, with prestigious stakes racing such as the PA Sire Stakes; PA Stallion Series; and the PA All-Stars!

Racing Highlights 2014 - 2017

- 55 world records were matched or broken at Mohegan Sun Pocono
- Sebastian K becomes the fastest Trotter of all time.
- During the 2016 Ben Franklin Final, the top 3 harness horses in the world faced off for the first time at the Downs at Mohegan Sun Pocono

50th ANNIVERSARY WEEK Aug. 14-22, 2015





“Full of Life”
Brand Positioning Comes to NEPA



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Mohegan Sun Pocono is Full of Life

- ❖ Life is about having extraordinary experiences.
- ❖ Life is about the interesting people you meet.
- ❖ Life is about the thrills, about having fun,
about making amazing memories.



Keystone Grand Ballroom Entertainment

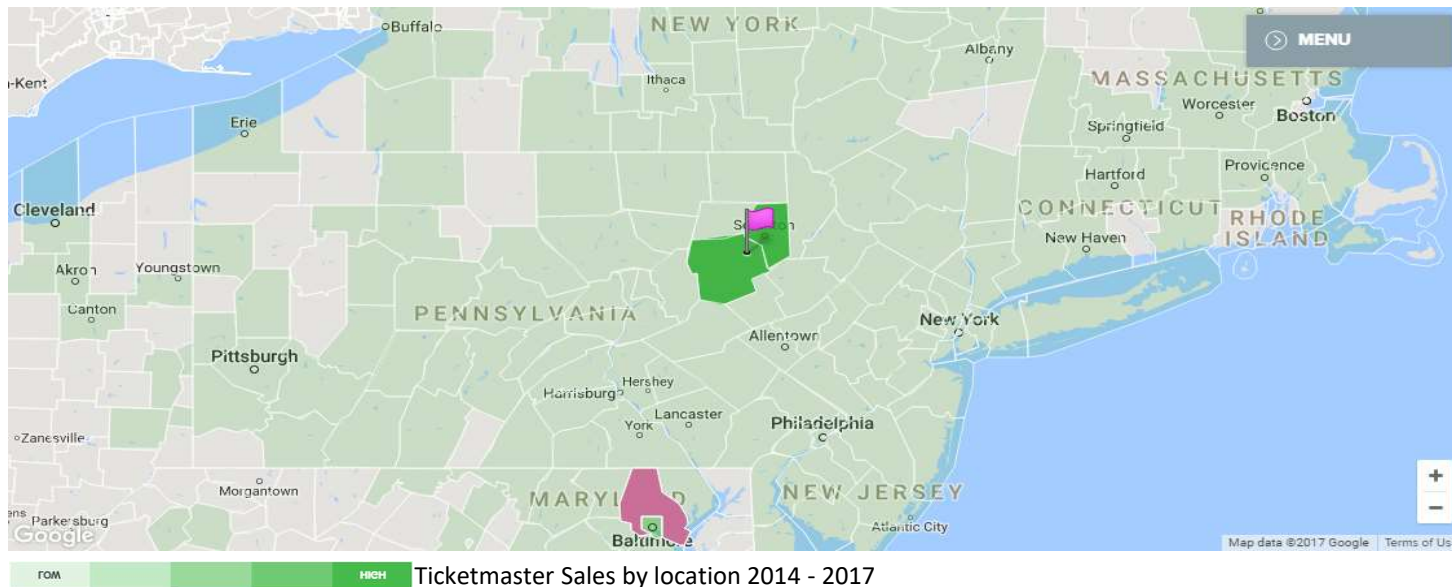
Since 2013 MSP has hosted an array of musical, comedy and variety acts including big names such as Jay Leno, REO Speedwagon, Doobie Brothers, Tracy Morgan, Josh Turner, Trace Adkins, Huey Lewis, Jenny McCarthy, Golden Dragon Acrobats , Chippendales, Dancing with the Stars and many more..



Keystone Grand Ballroom Entertainment

Since 2013 MSP has hosted more than 56 shows from 2014 – present resulting in:

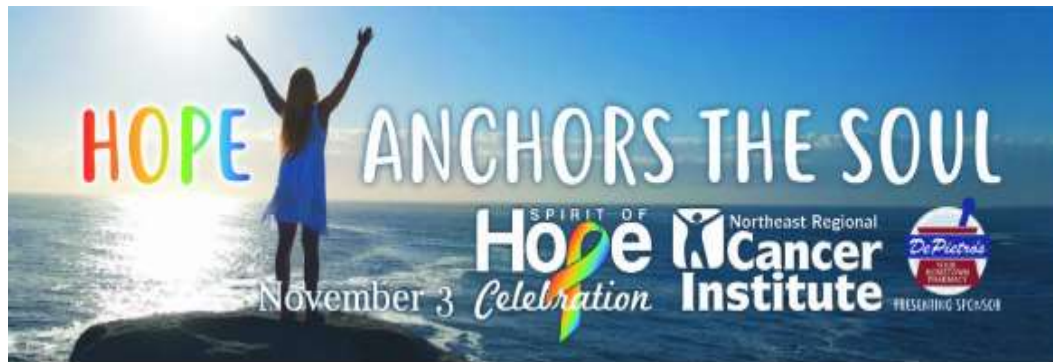
- Over 26,000 tickets sold for revenues of approximately \$1M
- Total attendance of over 53,000 including a number of guests from all over the Northeast



Keystone Grand Ballroom Entertainment

Additional Events benefitting our Community Partners:

- Ryan's Run Clash for Cash CrossFit Competition – benefitting Allied Services
- Spirt of Hope – Northeast Regional Cancer Inst.
- Leadership Wilkes-Barre
- Pittston Chamber Women's Network



Entertainment Around the Property



Breakers:

Battle of the Bands

Competition for new bands to gain exposure in the local music scene

Karaoke Contest & Karaoke Party

Music on the Menu

Featuring Local Original Music acts live and on the radio monthly

Bar Louie – live bands

Party on the Patio – Free weekly events during the summer season

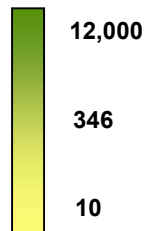


Hotel Brings New Guests to our
Region



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Hotel Nights 2016 by
Geography



A Promise Delivered



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Mohegan Sun Pocono Delivered on a Promise

Commitments Accomplished

- Job creation
- Generation of new business for local suppliers and vendors
- Recapture dollars leaving state
- Catalyst for future capital investment In PA
- Significant tax benefits to the state
- Physical improvement to the track amenities and backside
- Employer of choice
- Involvement with community organizations
- Charitable donations
- Hiring locally and utilization of local businesses
- Partnership with educational institutions
- Commitment to participate in efforts to grow area
- Open communication with local authorities, businesses and residents of area
- Compulsive gambling program

Community Testimonials



“Throughout the years, King’s College and Mohegan Sun have shared an excellent recruiting partnership built on a solid foundation of strong academics and excellent company culture. This is evident through the number of current students and alumni that are contributing to the mission and day to day operations of Mohegan Sun. King’s College looks forward to continuing to build and strengthen this collaborative relationship to not only continue to support a high profile employer in our region, but also to provide high quality internships, part-time, and full-time opportunities to our current students and alumni.”

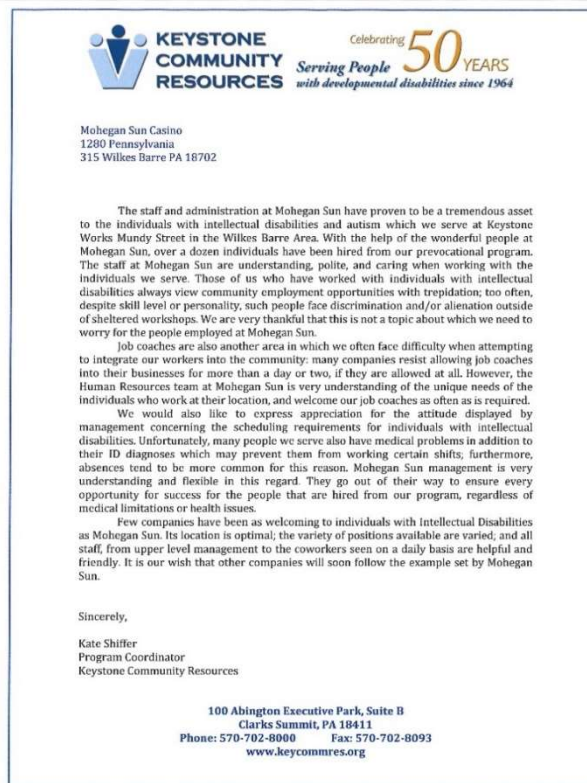
Theresa M. Kinney, Employer Relations Coordinator, King’s College



Community Testimonials

Testimonials from the Community

“The staff and administration at Mohegan Sun have proven to be a tremendous asset to the individuals with intellectual disabilities and autism which we serve at Keystone Works Mundy Street in the Wilkes-Barre Area. With the help of the wonderful people at Mohegan Sun, over a dozen individuals have been hired from our prevocational program. The staff at Mohegan Sun are understanding, polite, and caring when working with the individuals we serve.”



“They go out of their way to ensure every opportunity for success for the people that are hired from our program, regardless of medical limitations or health issues... Few companies have been as welcoming to individuals with Intellectual Disabilities as Mohegan Sun... and all staff from upper level management to the co-workers seen on a daily basis are helpful and friendly. It is our wish that other companies will soon follow the example set by Mohegan Sun.”



Employee Testimonials

Other major areas of success as evidenced by the team member engagement survey are:

- 85% of all team members believe that Mohegan Sun Pocono does a great job of respecting differences in race, culture, religion, age, gender, etc.

“One of my favorite things about working here is seeing the different cultures coming together and working to the same goal of providing exceptional guest service. MSP is one of the most inclusive places I have worked. It doesn't matter what your background is, they are willing to give everyone an opportunity to work here and I love that about the company.”

- Over 80% of all team members believe that Mohegan Sun Pocono provides a fun and friendly work environment



Thank You



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